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LATEST NEWS

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Study: Ohio tops U.S. in bankruptcy climb

Ohio outpaced the nation in the rise in personal bankruptcy filings between 2000 and 2003, a report by the Center for America Progress says.

The study, released Tuesday by Policy Matters Ohio, a policy think tank in Cleveland, said 7.7 personal bankruptcies were filed in the state for every 1,000 Ohioans in 2003, up from 4.6 filings per 1,000 residents at the start of the century.

That rate of increase put Ohio ahead of all other states. Nationally, there were 5.5 personal bankruptcies filed for every 1,000 Americans two years ago, up from 4.2 filings per 1,000 in 2000, the report says.

Tennessee led the nation in the rate of personal bankruptcies in 2003 with 11.1 filings for every 1,000 residents, the study concluded. Ohio was ranked eighth in the United States and was second in the Midwest only to Indiana, where 8.9 personal bankruptcy filings were made for every 1,000 residents in 2003.

Study authors Christian Weller and Alana Gino said heavy consumer borrowing is a major reason behind the record rate of bankruptcies nationally. Lack of health insurance coverage, divorce, high unemployment and low wages also play a role in the financial troubles, but all of those factors don't necessarily apply to Ohio's predicament, said one representative of Policy Matters Ohio.

"Bankruptcy filings are an indication of severe financial distress," Executive Director Amy Hanauer said in a release. "It is imperative that we determine the cause of the sharp spike in Ohio bankruptcy filings and adopt reforms to reduce these rates."

The lowest rate of bankruptcy filings in 2003, at 2.1 for every 1,000 residents, was posted in Alaska, followed by Massachusetts, at 2.8, and Vermont, at 2.9.